

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2002-299

June 3, 2002

PUBLIC UTILITIES COMMISSION
Inquiry Into Maine Utilities Joining
A Regional Transmission Organization
That Includes Portions of Canada

NOTICE OF INQUIRY

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

Through this Notice, we initiate an Inquiry for the purpose of conducting a study of Maine utilities joining a regional transmission organization that includes northern Maine and portions of Canada.

During its last session, the Legislature adopted Resolve, Regarding Participation in Regional Transmission Organization, Resolves 2001, ch. 81. The Resolve states:

That the Public Utilities Commission shall conduct a study to determine the advantages and disadvantages of the State's transmission and distribution utilities' joining a regional transmission organization that includes northern Maine and portions of Canada. In conducting its study, the commission shall invite the participation of interested parties in Maine and Canada.

We initiate this Inquiry as the vehicle through which we will conduct the required study.

As the first step in the study, we seek comment from interested persons on the appropriate scope of the study. Attached to this Notice is an outline of the issues we propose to examine during this study. We request that interested persons comment on the proposed scope of the study by June 19, 2002.

We will seek further input from interested persons as the study progresses. This input may come through open meetings, as well as individual discussions. Additionally, a draft report will be issued for public comment prior to the submission of a final report to the Legislature. All interested persons that file comments or request to be placed on the service list in this docket will receive Commission documents issued throughout this proceeding. All comments filed in this proceeding can be viewed through the Commission's virtual case file, www.state.me.us/mpuc.

Although the Resolve does not contain a date by which the Commission is required to submit the study to the Legislature, however, our intent is to submit it by the

beginning of the next session so that the study's subject matter may be considered by the Legislature if it so desires.

Dated at Augusta, Maine, this 3rd day of June, 2002.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Nugent
 Diamond

Attachment

Scope of Maine/Canadian RTO Study

The scope of the study would be as follows:

1. Identification of the relevant objectives in considering whether to pursue a Maine/Canadian RTO. Specifically, what are the reasons why the southern Maine T&D utilities should join a Maine/Canadian RTO as compared to the status quo and other RTO options now under consideration? This would include an examination of the possible objectives and their value to Maine consumers.

Potential objectives include:

- Greater input or control over the governance of the RTO and the associated market by Maine stakeholders,
- Lower cost of electricity,
- Greater price stability,
- Greater reliability (or at least no degradation in reliability),
- Less market power by providers of transmission and generation,
- Simpler and more accessible regulation,
- Better access by Northern Maine to power sources, and
- Depending on Canadian policies, better Maine access to gas or gas-fired electricity.

2. A description of the current system, including a description of how it is expected to evolve, and a discussion of whether and how it meets the objectives identified in section 1. This would provide a framework for comparison to the proposed New England RTO. This examination would also include the implications of resolving the so-called "seams issues."

3. A description of whether and how the Maine/Canadian RTO could be structured to meet the objectives identified in section 1. This would include a discussion of how various potential structures would meet the objectives in varying ways and to varying degrees.

4. A qualitative and quantitative assessment of the potential advantages and disadvantages of a Maine/Canadian RTO compared to the status quo and other RTO options now under consideration. The quantitative assessment would involve estimating the range of possible benefits as well as costs.

5. A review and assessment of the steps necessary to implement a Maine/Canadian RTO and their feasibility. This would include: the regulatory and legal requirements for the Maine utilities to withdraw from ISO-NE; the regulatory, legal and political requirements associated with forming a Maine/Canadian RTO, including the implications of its internationality; the steps necessary to establish the market structure and rules of the new RTO; identification of the barriers to approval and implementation of the Maine/Canadian RTO; consideration of what entity, if any, would resolve disagreements among market participants.
6. As assessment of how, in the absence of a Maine/Canadian RTO, Maine can achieve maximum benefits from its proximity to the Canadian Provinces.